

1. BET Audit Comm. Webinar Agenda

Documents:

[BET AUDIT COMMITTEE VIRTUAL MEETING AGENDA_12-2-2020.PDF](#)

2. BET Audit Comm. Webinar Agenda Packet

Documents:

[BET AUDIT COMMITTEE VIRTUAL MEETING PACKET_12-2-2020.PDF](#)

3. SUB_TO_APP_BET Audit Comm. Mtg Minutes_12-2-2020

Documents:

[SUB_TO_APP_BET AUDIT CMTE MINUTES_12-2-2020.PDF](#)



**TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION
AUDIT COMMITTEE WEBINAR**

Wednesday, December 2, 2020 – 8:30 A.M
Please click the link below to join the webinar:

<https://greenwichct.zoom.us/j/82427559281?pwd=Sy9FYWdzNVBMdTNoemlYNitJc2VTdz09>

Webinar ID: 824 2755 9281
Password: 8289357

Or Telephone:
US: (646) 518-9805 or (888) 475-4499 (Toll Free)

1. Approval of the BET Audit Committee Meeting Minutes of November 5, 2020
2. Acceptance and Recommendation of the Fiscal Year 2020 Comprehensive Annual Financial Report (CAFR), Federal and State Single Audits and Management Letter
3. Internal Audit
 - Update on the Marina Fees Audit – Blumshapiro
 - Status of other audits
4. Risk Management
 - Cyber Liability Insurance Renewal Update
5. Old Business
 - Audit Plan Update
6. Adjournment
7. Executive Session (10:00am – 11:00am): Discussion of Legal Claims – Attorney Vincent Marino)
8. Executive Session: Cyber Security update (11:00 – 11:30am)



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**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

AUDIT COMMITTEE MEETING MINUTES

Thursday, November 5, 2020

Virtual Webinar

Present

Committee: William Drake, Chairman; Andreas Duus, Laura Erickson, David Weisbrod

Staff: Shira Davis, Exec. Assistant to the Comptroller; Peter Mynarski, Comptroller;
Megan Zanesky Esq., Risk Manager

BET: Michael Mason, BET Chairman; Miriam Kreuzer, Leslie Moriarty, Jeffrey S. Ramer,
Leslie T. Tarkington

The meeting was called to order at 8:30 A.M.

1. Acceptance of the BET Audit Committee Meeting Minutes

Upon a motion by Ms. Erickson, seconded by Mr. Duus, to accept the Minutes of the BET Audit Committee Regular Meeting of October 9, 2020. The Committee voted 4-0-0. Motion carried.

2. Internal Audit

• **Acceptance of the Dorothy Hamill Skating Rink Audit**

Upon a motion by Ms. Erickson, seconded by Mr. Duus, the Committee voted 4-0-0 to accept the Dorothy Hamill Skating Rink Audit. Motion carried.

• **Marina Fees Audit Update**

Mr. Mynarski commented that the Marina Audit was basically finished. When the Marina management comments are received, a draft audit will be circulated two weeks before the next Audit Committee meeting for Committee comments and presented at the December meeting for acceptance.

3. Risk Management

• **Cyber Liability Insurance Renewal Update**

Ms. Zanesky indicated that the cyber liability insurance industry is demanding a 20-30% increase in premium across the board. The Town of Greenwich has made

significant improvements in its cyber liability framework and Ms. Zanesky has spoken with the underwriter for CHUBB and has calls lined up for underwriters of various other insurance carriers to discuss details of Greenwich's cybersecurity initiatives and accomplishments to negotiate a lower premium. Gallagher & Co employees and relevant carrier employees that work on this renewal have either already signed or will be required to sign a Non Disclosure Agreement (NDA) to protect the Town's security information as it relates to cybersecurity. The Chubb underwriter will review the possibility of offering a quote at less than the anticipated increase. Gallagher will be marketing the cyber policy's renewal to other insurance companies for competitive premium offers.

- **Property Inspection Program Reconstruction Discussion**

Ms. Zanesky commented that she is working with Gallagher to have a prioritized schedule for property inspection in place before next year's insurance renewals. The BOE program, Tools for Schools "walk throughs", which typically happen during the fall, were deferred due to pandemic restrictions, but are expected to be rescheduled.

- **Oral Updates – CT PRIMA, PRIMA NE and PRIMA National Involvement and Education**

Ms. Zanesky, as Connecticut State Chapter President, ran the CT Professional Risk Managers Association (PRIMA) virtual legal updates meeting. Ms. Tiffany Navarro, the Town's Worker's Compensation Administrator, also attended the virtual meeting as some updates related to Worker's Compensation and work from home issues. Ms. Zanesky also attended PRIMA's National Association 5-day virtual Risk Institute. She commented that the education was stimulating and very relevant and fellow professionals share professional information freely.

4. Old Business

None

5. New Business

- **Audit Plan Presentation**

Mr. Mynarski commented that the Town's biannual Audit Plan is initially discussed in November after an election of a new BET, and topics to be audited are selected in January once new Committee members are appointed. He had updated the potential topic list and could request five audits of the current vendor unless a new Internal Auditor is hired. The Committee asked Mr. Mynarski for his top five choices and to prioritize them by need and scope. Each topic on the Plan document was discussed in detail and additional audit studies were suggested for consideration. Mr. Mynarski was asked to follow-up with information about what audit topics other towns were pursuing. Once the Audit Committee authorizes new audits, Mr. Mynarski, a member of the Town Law Department and Mr. Ziplow of Blumshapiro will meet to discuss the scope of the audits and select five audits for a fixed amount similar to FY20's maximum \$100,000.

- **Annual June 30, 2020 Audit Update**

Mr. Mynarski reported that the Comptroller's CAFR and GASB reports were completed. He noted that figures are subject to change, a Footnote needed to be added concerning liabilities, the Town Attorney's Legal Letter would be ready for the Audit Committee to review at its December meeting. The Town's external auditor, RSM US LLC, will make a presentation in December for vote and transmission to CT Office of Policy & Management by December 31, 2020.

6. Items for future BET Audit Committee Meetings

- December Agenda
 - RSM Presentation
 - Blumshapiro Presentation of outsourced audits
 - Quarterly Cyber Security Discussion
 - Review of Law Department Legal Letter
- January Agenda
 - 2021 Audit Plan Discussion and Vote

7. Adjournment

Upon a motion by Mr. Weisbrod, seconded by Mr. Duus, the Committee voted 4-0-0 to adjourn the Meeting at 9:51 A.M. Motion carried.

Catherine Sidor, Recording Secretary

William Drake, Audit Committee Chairman

Schedule of Audit Committee Meetings

December 2, 2020 (Wednesday) – Virtual Meeting or in the Gisborne Conference Room, 1st Floor

January 22, 2021 (Friday)

February 17, 2021 (Wednesday)

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

AUDIT COMMITTEE MEETING MINUTES

Wednesday, December 2, 2020
Virtual Webinar

Present

Committee: William Drake, Chairman; Andreas Duus, Laura Erickson, David Weisbrod

Staff: Roland Gieger, Director, Budget & Systems Management, Finance Department;
Peter Mynarski, Comptroller; Megan Zanesky Esq., Risk Manager

BET: Michael Mason, BET Chairman; Karen Fassuliotis, Miriam Kreuzer, Elizabeth K.
Krumeich, Leslie Moriarty, Jeffrey S. Ramer, Leslie L. Tarkington

Selectmen: Jill K. Oberlander, Select-person

Guests: Jennifer (Jen) Katz, Partner, RSM; Melissa Quinn, Audit Manager, RSM; Casey
Schroeder, Senior Associate Retirement Benefits, RSM

The meeting was called to order at 8:30 A.M.

1. Approval of the BET Audit Committee Meeting Minutes

Upon a motion by Ms. Erickson, seconded by Mr. Duus, to approve the Minutes of the BET Audit Committee Regular Meeting of November 5, 2020 as amended. The Committee voted 4-0-0. Motion carried.

2. Acceptance and Recommendation of the Fiscal Year 2020 Comprehensive Annual Financial Report (CAFR), Federal and State Single Audits and Management Letter

Mr. Mynarski introduced the RSM guests, who discussed aspects of their 22-page report to the Audit Committee. A draft version of the CAFR will be updated to final form prior to the BET December 17 Meeting. After reviewing the formal auditors' responsibilities in the Management Letter, Ms. Katz commented that there were no audit adjustments required to be made to the Trial Balance provided; and RSM anticipated issuing an "unmodified" opinion. Due to the pandemic environment, the CT Office of Policy Management (OPM) extended the Single Audit filing deadline until January 31, 2021; and the Supplementary COVID-19 CARES Act Federal funding Compliance Addendum deadline until March 31, 2021. New accounting procedures nation-wide (necessitated by the CARES Act) have not yet been promulgated.

In selected highlights of the CAFR, Ms. Katz noted that the Town was in a strong cash position. Assets of Primary Governmental exceeded \$1 billion; total liabilities of \$500 million consist mainly of pension liabilities and bonded debt. The Town's net position increased by over \$20 million during FY 2020.

Ms. Katz drew attention to the scope of this year's audit including extensive testing of The Nathaniel Witherell and its classification as a major fund. Discussion ensued.

Upon a motion by Mr. Drake, seconded by Mr. Duus, to approve the CAFR

subject to final revisions made by RSM before the full BET considers the CAFR at its December 17 BET Meeting. The Committee voted 4-0-0. Motion carried.

3. Internal Audit

- **Update on the Marina Fees Audit – blumshapiro**

A draft of the Marina Fee audit has been sent to the audited departments for management response. Although blumshapiro found nothing unusual in their audit it added that there would be recommendations in the audit to be circulated to the Committee, after the auditee had responded.

- **Status of other audits**

Mr. Mynarski commented that the Transfer Station/Tipping Fee Audit is in progress. blumshapiro has met with the Department of Public Works and a draft should be ready for January's meeting. School Lunch Audit will be taken up next.

4. Risk Management

- **Cyber Liability Insurance Renewal Update**

Ms. Zanesky described the premium of the renewed Cyber Liability policy as having an increase of approximately \$20,000 in premium to \$77,558, and an increase of \$50,000 in retention to \$100,000. She commented that the cyber security initiatives implemented by the Town made the cost of the renewal less than it would have otherwise been. In addition, Ms. Zanesky spoke with ten different underwriters, all of whom signed Non-Disclosure Agreements, in order to give specifics and a better understanding of Town cyber security. Chubb added enhancements to the policy after these discussions. Gallagher has indicated that the cyber liability carriers in general have voiced that cyber liability policies have been underpriced and they are now working on catching up with the risks. Gallagher will fully market the cyber liability coverage next renewal in order to get more competitive pricing in what will hopefully be a better market.

5. Old Business

- **Audit Plan Update**

Mr. Mynarski commented that because the December Agenda was crowded, the annual Audit Plan was moved into January for discussion. He then described his process of prioritizing all the audits to identify the top five that he would recommend to the Committee. Thereafter, in coordination with Mr. Ziplow of blumshapiro, the scope of the Committee's selected audits will be expanded for the next Engagement Letters. Mr. Ziplow also recommend two additional audits be added: The Police Special Duty Payroll and a Grant accounting audit to review internal controls. A member of the Committee suggested adding a Purchasing Department Audit to the list. The Committee requested a schedule of Audits done in past years for comparison to the new Audit Plan for January discussion.

6. Executive Session – Legal Claims

Mr. Drake called for an Executive Session to discuss Pending Litigation and Legal Claims which affect the CAFR.

Upon a motion by Mr. Drake, seconded by Mr. Duus, the Committee voted 4-0-0 to enter Executive Session at 10:18 A.M. Motion carried.

Upon a motion by Mr. Weisbrod, seconded by Mr. Duus, the Committee voted 4-0-0 to exit Executive Session at 11:27 A.M. Motion carried.

The Committee exited Executive Session at 11:27 A.M.

7. Executive Session – Cyber Security

Mr. Drake called for an Executive Session to discuss Cyber Security.

Upon a motion by Mr. Drake, seconded by Ms. Erickson, the Committee voted 4-0-0 to enter Executive Session at 11:35 A.M. Motion carried.

Upon a motion by Mr. Weisbrod, seconded by Mr. Duus, the Committee voted 4-0-0 to exit Executive Session at 12:04 P.M. Motion carried.

The Committee exited Executive Session at 12:04 P.M.

8. Adjournment

The Committee unanimously voted to adjourn at 12:04 p.m. Motion carried.

Catherine Sidor, Recording Secretary

William Drake, Audit Committee Chairman

Next Audit Committee Meeting:

Friday, January 22, 2021 8:30 A.M.